

**MINUTES**  
**Budget Committee Meeting**  
**May 22, 2012**

The meeting was called to order at 6:00 p.m. by Mayor Dennis Doyle. Present were Councilors Cate Arnold, Betty Bode (via Skype Laptop), Ian King, Marc San Soucie, and Cathy Stanton, and Members Karmen Bickel, Randy Blake, Allen Dawson, Jose Galindez, Traci Stout, and Alternate Member Geoff Dougall. Also present were Patrick O'Claire, Finance Director; Randy Ealy, Chief Administrative Officer; Don Mazziotti, Community & Economic Development Department (CEDD) Director; Dave Waffle, Assistant Finance Director; Jerry Allen, Assistant Director – General Services; Scott Keller, Senior Program Manager; Jayne Scott, Senior Program Manager; Steve Sparks, Principal Planner; Brad Roast, Building Official; Cindy Tatham, Sustainability Manager; Patricia Luebke, CEDD Office Supervisor; Alma Flores, Economic Development Manager; Mark Fagin, newly elected City Councilor; Steve Morris, OTBC Manager; The Oregonian; The Valley Times; and Joanne Harrington, Recording Secretary.

**ELECTION OF OFFICERS**

Mayor Doyle called for election of officers; Chair, Vice Chair and Secretary.

Councilor King MOVED/SECONDED by Councilor Arnold to nominate and elect Allen Dawson as Chairman, Randy Blake as Vice Chair, and Karmen Bickel as Secretary.

The Mayor asked for discussion. The motion CARRIED.

**FISCAL YEAR 2012-13 PROPOSED BUDGET**

Mayor Doyle made opening comments and thanked the Budget Committee for their services.

Mr. O'Claire introduced Dave Waffle, the new Assistant Finance Director.

Mr. Waffle gave a brief opening presentation and discussed highlights of the Mayor's FY 2012-13 Budget Message.

Mr. O'Claire reviewed Handout 1, Schedule of Business License Fee Revenue. He said that business license revenue's revised estimate is \$495,000 for FY 2011-12 and is budgeted at \$500,000 for FY 2012-13.

Mr. O'Claire reviewed Handout 2, Schedule of Building Permit Fees – Revenue Collection Analysis. He said the Building revenue decline has leveled off and the City is projecting more revenue for the current fiscal year than was budgeted. He said the newly revised amount for the current fiscal year is \$1,828,000 which is 80.6% of the prior three-year average. The Building revenue proposed for FY 2012-13 is \$2,067,000.

Mr. O'Claire reviewed Handout 3, Schedule of State Gas Tax Receipts. He said Gas Tax revenues are sensitive to the price of fuel. He said the Gas Tax revenues are down about 1%. He said there will probably be a decrease in Gas Tax revenues in the coming months due to recent fuel prices.

Mr. O'Claire reviewed Handout 4, Summary Schedule of Fund Balances Revenues and Expenditures FY 2001-02 to Proposed FY 2012-13 – General, Street, Building and Library Operating Funds. He explained the large expenditures in the General Fund; the purchase of the property at First and Lombard in FY 2010-11 and the purchase of the South Office Building in FY 2011-12. He also stated that the City is conservative in the budget process and we usually end the fiscal year with a surplus. He said that he is confident that the proposed FY 2012-13 budget is a balanced budget.

Councilor Stanton asked why the General Fund contingency has decreased by about 50% over the last five years. Mr. O'Claire explained that the decrease was due to purchasing the South Office Building. He said if the building had not been purchased, the General Fund contingency would be doubled.

Mr. O'Claire reviewed the Street Fund's revenues and expenditures. He said they have spent significant resources for the street overlay program last year, the current year and for the upcoming year. He said traditionally, \$800,000 is spent per year for overlay program, but over the last three fiscal years \$1.2 to \$1.4 million has been spent. With the increased overlay spending, the Street Fund's Ending Working Capital for FY 2012-13 is projected at \$2.4 million which is still a healthy contingency as it is about 34% of the operating revenues for the Street Fund.

Mr. O'Claire reviewed the Building Fund's revenues and expenditures. He said the Ending Working Capital has decreased to just under \$600,000 for FY 2010-11 Actual. He said it's expected that the Ending Working Capital will increase to \$606,594 by the end of FY 2012-13.

Mr. O'Claire explained that the reduction in the Library's ending fund balance is partly due to a reduction in the WCCLS distributions. Also, there were two large capital projects that were funded out of cash reserves (ending fund balance also known as contingency) – the library roof replacement during FY 2011-12 and the automated materials handling system in FY 2012-13.

Mr. Dawson asked how contingency funds are drawn down. Mr. O'Claire explained that the draw down process happens through the supplemental budget process or by a transfer resolution enacted by the City Council.

Mr. O'Claire said that Handout 5 was distributed and discussed at the March 2012 budget meeting and due to its length; he did not print it for this meeting. He discussed it briefly and said if someone was not present at the March meeting, we would print the handout for them.

Mr. O'Claire discussed Handout 6, Water Consumption Revenues Analysis. He said Water Fund's contingency account has been decreasing over the last four years due to the funding the water line rehabilitation and replacement program. The proposed 20 cent water rate increase and the increase to the monthly meter charge will assist in stabilizing the contingency account and provide resources for continuing the water line replacement program. He said the rate increases are not going toward operating expenses, but rather capital. He explained how conservation is not the driving issue; it is the need to maintain our water line infrastructure.

Mr. O'Claire discussed the background of the increases to the Council stipend over time. He said a recommendation to consider during the budget deliberations is a \$100 increase to the monthly. He said this proposal will be presented to the lay members of the Budget Committee at the May 30th budget meeting.

Mr. Galindez asked if the City would consider borrowing money since some of the fund's contingency ratios are dropping lower than average and interest rates are at a historical low, and to use these funds to complete various projects.

Mr. O'Claire said that the City has considered this for the two funds – the Water Fund due to the continuing water line replacement program and general infrastructure improvements (water source supply and treatment), and the General Fund due to using \$8 million to purchase of the South Office Building.

Councilor Arnold said that she heard City Hall would require maintenance that is not in the budget. Mr. O'Claire discussed the various scenarios for the South Office Building and the City Hall building, and the associated maintenance for each.

### **City Council**

Mr. Ealy reviewed the City Council's proposed FY 2012-13 budget. He said the Mayor's Office worked with the Council President, Cathy Stanton, in preparing the City Council's proposed FY 2012-13 budget.

Councilor Stanton suggested that the Councilors review the Council's Prior Year Accomplishments and New Year Action Plans at their upcoming retreat which will allow them to have input prior to the final printing of the budget.

Mr. Dougall said he would like the City to try to budget closer to what they think they will actually spend as the budget estimates are always considerably less than the adopted budget.

Councilor San Soucie said that in the current fiscal year \$40,000 was allocated for a management operational analysis, but was not spent as the Council could not decide what they wanted to spend it on. He recommends carrying the funds forward to FY 2012-13.

Councilor Arnold commented that the training she has attended has been very valuable so she likes to have the training funds available when opportunities arise.

In response to Mr. Dougall's comment, Mr. Galindez said he has observed that the City continually budgets conservatively and spends less than what is budgeted. He said when this happens, it should be conveyed to the citizens so they know that we are conservative and do not spend all that we budget.

Mr. Dawson asked what the long term value is for the Council conferences.

Councilor San Soucie said that he views conferences as professional development to help him become a better councilor.

Councilor Bode said that conferences are professional development and a way to keep up-to-date on what other cities similar to Beaverton are doing.

Mr. Dougall said that he is all for training and going to conferences.

Councilor King said that some items need to be a placeholder in the budget

### **Mayor's Office Programs**

Mr. Ealy briefly reviewed the Mayor's Office proposed FY 2012-13 budget. He introduced Mayor's Office staff who will be presenting the budget for the various programs. Mr. Allen handed out an outline that shows the Mayor's Office programs and managers.

Mr. Ealy said overall the Mayor's Office programs account for about 4½% of the entire budget. He said they are responsible for generating about \$1.5 million in revenue through grants.

Mr. Ealy pointed out that on page 49 of the proposed budget is the Mayor's priority which is to showcase Beaverton as an opening and welcoming community open to business, and secondarily

continue to build on our safe city reputation, and thirdly a high premium is placed on outstanding city services.

Mr. Ealy said that the City is starting to get involved with social media. He said the City's website won a national transparency award.

Mr. Ealy said 90% of the thousands of code violation cases are resolved by voluntary compliance. He discussed the new sidewalk repair program. The funds for this went very quickly in FY 11-12, so in the proposed FY 2012-13 budget, the sidewalk repair program funds have been increased by \$25,000.

Mr. Ealy explained the Neighborhood Pride Program is collaboration with the Fire District personnel, the City's police department, the Community Development Department, and the Code Compliance Department.

Mr. Ealy briefly discussed the various events hosted by the Beaverton Arts Commission, the Sister Cities program, and the Diversity Task Force that helps connect the various groups of people with the City's Boards and Commissions.

Mr. Ealy said the City Recorder's program now has a Deputy City Recorder due to the high volume of work.

Mr. Ealy said the Emergency Management Program brought in \$300,000 in grants last year which is 60% of its entire budget.

Mr. Ealy said the Dispute Resolution Program is regionally recognized. He said they actually contract with the neighboring cities to do mediation. He explained the Truancy Program that helps to keep kids in school.

Mr. Ealy reviewed the Solid Waste and Recycling Program and explained that it is primarily grant funded. He said 1,200 vehicles attended the Beaverton Recycling Day which brought in 84,000 pounds of material, an increase of 22% from last year. He said a commercial organics recycling program will be presented to Council in the near future.

Mr. Ealy said the Neighborhood Program coordinates nearly 20,000 hours of volunteer time. He explained the Tax Assistance Program, which included 1,887 different tax filings that resulted in a savings of \$2.45 million in tax returns.

Councilor Arnold asked if the 1 FTE Program Coordinator in the Mediation Program is the only new position that is requested.

Mr. O'Claire said that the Program Coordinator in the Mediation Program is the only new FTE that is being requested in the Proposed FY 12-13 Budget.

Councilor San Soucie said that since 2009 when he started reviewing the budgets, he has noticed a remarkable improvement in the department's descriptions of prior year accomplishments and anticipated actions in the coming years.

In regards to the recycling at work program, Councilor San Soucie asked when contact is made with the businesses.

Mr. Keller said that the recycling staff attempts to have discussions with the businesses and inform them of the recycling at work program.

### **Reprographics Fund**

Mr. Ealy introduced Scott Keller, Senior Program Manager for the City's community programs and Reprographics. Mr. Keller discussed the proposed FY 2012-13 proposed budget and highlights of the Reprographics Department. He said the City is using about 50% less paper than it did ten years ago.

### **Beaverton Arts Commission**

Mr. Ealy introduced Jayne Scott, Senior Program Manager in the Mayor's Office for the Beaverton Art Commission (BAC). Ms. Scott discussed the highlights of the Beaverton Arts Commission and its proposed FY 2012-13 budget. She said the Commission raises approximately \$30,000 annually through grants, sales, and sponsorships. She said that there will be a change to the BAC's 488 line item, BAC Art Development Expense, in the proposed budget.

Mr. O'Claire explained that there are two proposed budget amendments that will affect the BAC budget. He said Proposed Budget Amendment No. 5 will increase the BAC's 488 line item by \$6,500 for the development, implementation and marketing of a public art program, and Proposed Budget Amendment No. 6 will add miscellaneous revenue of \$5,000 that was inadvertently omitted from the proposed budget.

Ms. Bickel asked where the revenue from BAC sponsorships is reflected in the budget.

Ms. Scott said it was reflected in BAC's Miscellaneous Revenue line item.

Councilor San Soucie asked what the process is to decide what art programs to invest in.

Ms. Scott said that they make such decisions with the help of the BAC board and the direction of the Community Vision.

Councilor San Soucie said that he is pleased to see funds budgeted in BAC for research and development for a performing arts center in Beaverton.

### **Community & Economic Development Department**

Mr. Mazziotti reviewed the Community & Economic Development Department's (CEDD) proposed FY 2012-13 budget. He distributed a list of some of accomplishments and challenges by division of CEDD over the last year; he discussed the highlights. Since last fiscal year, CEDD has acquired two new divisions – Sustainability and Economic Development – and this has caused an increase in CEDD's overall budget for FY 2012-13. He said CEDD will add three new positions and absorb one from Engineering. He said he will only request to add a position if it is mandated by workload or the law, or by direction of Council.

Mr. Mazziotti said that the County has asked the City to provide planning services for the 6B area, an area of nearly 2,500 acres, which is not part of the city. He said this will require a Senior Planner with experience laying out conceptual plans.

Mr. Mazziotti said they have added a Senior Planner who will be assigned to the three-year, \$1 million U.S. Housing and Urban Development (HUD) Grant that was recently awarded to the City.

Mr. Mazziotti said a temporary position in the Sustainability division will be converted to a fulltime Program Coordinator to support the increasingly growing obligations for that division.

Mr. Mazziotti said CEDD has absorbed part of a fulltime position previously assigned to Engineering, creating an Associate Transportation Planner to primarily do transportation planning in the 6B and north Cooper Mountain areas.

Mr. Mazziotti said due to the re-organization of the department which added two divisions, the administrative support staff has been realigned to better align with the new focus area of the department and provide support to those divisions. This realignment has resulted in the loss of one Support Specialist 1 position.

Mr. Mazziotti said the Building Inspectors continue to average twenty or more inspections a day due to staff reductions due to a decline in fees. He said he is concerned about the continued heavy load on the inspectors, but they continue to deliver service.

Mr. Mazziotti said the Sustainability budget has increased because of regional requirements.

Mr. Galindez asked if the City has been approached to annex the north and south Cooper Mountain area.

Mr. Mazziotti said that was not the case. He said the City is being approached by the County to assume their work plan which was to do concept planning for the north Cooper Mountain area. He said they are doing this because their capacity is strained and the area is closer to Beaverton than the county courthouse, plus they are turning over \$95,000 of a CTE Grant from Metro to help the City fund that activity.

Mr. Galindez asked the timeframe for development in the 6B area.

Mr. Mazziotti explained if 6B is brought into the Urban Growth Boundary (UGB), development will begin immediately. He said 90% of the landowners within 6B have signed letters of intent to annex to the City as soon as they are brought into the UGB.

Mr. Dawson asked if revenue is being lost because inspector's workload is so heavy and if the inspections are ever contracted out.

Mr. Mazziotti said that they have tested the contract model by contacting similar agencies. He said it is no more effective than the City's model so they are not convinced that it is better. He said it is important to maintain the Building Fund's reserve funds. He said by keeping their staff numbers lean, they are saving money, and when the economy turns around, staff can be added.

Mr. O'Claire commented that revenue is not lost due to a delayed inspection as the revenue is paid in advance.

Councilor San Soucie asked for more information regarding the Action Plan for Sustainability Beaverton Strategy on page 207.

Mr. Mazziotti said it is to be completed in 2013. He said that he has reviewed two drafts and he found it to be excellent, and he would be happy to share a draft copy of it with anyone on the Budget Committee who is interested.

Councilor San Soucie asked for an update near the end of the calendar year on the Regional Research and Brookings Export item that is budgeted in Economic Development Program Membership Fees. He said that he thinks this is very useful for the City to participate in.

Councilor King asked about the one-time \$46,600 fee to OTBC for new marketing program that is budgeted in Economic Development's Professional Services line item. He said that last fiscal year \$35,000 was budgeted for a one-time marketing program.

Steve Morris, OTBC manager, said that he does not have a good explanation as he has not had a chance to review the budget. He said that he believes they are just maintaining the same marketing program last year.

Councilor King said that he will propose to have the \$46,600 removed from the FY 2012-13 budget. He said that he would like OTBC to make a presentation to Council at a later date to explain what these funds are for.

Councilor San Soucie said that he would like the amount for OTBC to be the same as last year. He asked Mr. O'Claire how the \$46,600 came to be.

Mr. O'Claire said that an email was sent from Mr. Morris to Mr. Mazziotti requesting \$14,638 per month for next year's funding.

### **Non-Departmental**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Non-Departmental Department. He explained that Non-Departmental contains three programs: 0003 - The cost center for various general City services, 0006 – The Central Plant, 0007 – The South Office Building Operations.

Mr. O'Claire reviewed the proposed budget for Program 0003. He discussed the Payments to Other Government Agencies line item in regards to the General Fund's contribution to Urban Renewal for early planning activities for \$100,000. He said that one of the Budget Committee members has said that they would like this to be a loan rather than a grant. He explained that the BURA would repay the principal portion over time. He said it will be considered as a proposed amendment to the proposed budget.

Mr. O'Claire said that on page 345, line item 815 (Transfers to Capital Development Fund); "Broadway Festival" will be changed to "Broadway Street Scape" by an amendment. He discussed the specifics of the Broadway Street Scape project.

Mr. O'Claire said that the proposed budget does not include \$300,000 transfer to the Capital Development Fund for property acquisitions as has been the case in past years due to the purchase of the South Office Building. He said they will work on accumulating some reserves for land banking in the future.

Mr. Dawson asked if the \$60,000 that is budgeted for the League of Oregon Cities in Non-Departmental Membership Fees line item was mandatory.

Mr. O'Claire said it was not mandatory but they have found value in it. He said the fee is based on city size.

Mr. O'Claire discussed the General Fund's contribution to support the Branch Library. He said for the FY 2013-14 budget, staff will suggest an increase to the tax rate to cover the Branch Library support for the future and it will help reimburse a some of what was contributed in the past. He thinks the General Fund's contribution to the Branch Library will have to continue through FY 2014-15.

Mr. O'Claire reviewed the proposed budget for Program 0007, a new program for the South Office Building operations. He said there will be an amendment to separate the expenses for operating the Beaverton E-Suites on the third floor from all other costs of operating the building. The account will be entitled 'Third Floor E-Suites Expenses'.

Ms. Bickel commented that the revenue for the South Office Building is about \$997,000 and the Professional Services appear to be using about a third of that. She asked if this will be the case for the upcoming years.

Mr. O'Claire said that the 3<sup>rd</sup> Floor Suites is a business in itself with its own manager who leases the spaces and tracks the expenses. This manager is paid out of the 3<sup>rd</sup> Floor Suites Expenses. He said there is also an asset manager and a property manager who manages the building and we anticipate that we will need these services until an ultimate decision is made on the building use.

Mr. Dawson asked if the property management contract was on a yearly basis.

Mr. O'Claire said it was on a month-by-month basis.

### **State Revenue Sharing**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the State Revenue Sharing Fund. He said the City receives annual liquor revenues which average about \$700,000 per year. Out of this fund the City pays for social service funding, one-time costs, and support for some civic activities that are listed on page 358 of proposed budget.

Mr. O'Claire said a proposed budget amendment will add \$1,082 to the State Revenue Sharing Fund's Community Services line item to match the grant award total.

Mayor Doyle said the \$10,000 appropriated for the Food Bank in the Community Services line item will not be needed as it will be fully under the Portland umbrella. He suggested appropriating the \$10,000 instead to the Beaverton Historical Society. He said there will be no change the dollar amount of the budget, just a description change.

Mr. O'Claire said no amendment is necessary since we will just be changing the narrative in the budget.

Mr. Dougall asked what PAL (Police Activity League) is.

Mayor Doyle said it is an after school program for at-risk youth and serves about 40 or 50 students. He said it has a lot of volunteers from Intel, Jesuit, and other schools and organizations.

### **Finance Department**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Finance Department. He said the department is fully staffed as the Assistant Finance Director and Senior Accountant positions have been filled.

Mr. O'Claire said the City received the Distinguished Budget Presentation Award and also received an unqualified audit opinion and the Certificate Award for Financial Reporting.

He said they are re-writing the cash receipting module and the utility billing system. He said utility bills are now on monthly billing cycle for the water meter charge (previously it was on a two month cycle). For water consumption, the City will work with our 3<sup>rd</sup> party water meter reader, Tualatin Valley Water



District, to convert from bi-monthly meter reads to monthly meter reads. TVWD will need to hire and train staff to accommodate monthly reads.

### **Municipal Court**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Municipal Court. He said there has been a change in state law that reduced the bail amounts. An example is before January 1, Beaverton levied 75% of the maximum bail amount and most jurisdictions levied 50%. The new state law that took effect January 1 evened this out. The new base fine amount that was set by this new law was 50% of the maximum base fine, which means the City automatically lost about 25% of its revenue. The State Legislature thought if there is lower bail amounts, Police might be more inclined to write tickets because there is a lower fine amount.

Mr. O'Claire said he does not think this new law will affect the General Fund revenues because of the new traffic safety program that was approved about a year and a half ago. This program added more police officers to the traffic program and there has been an increase in citation issuance.

Mr. Galindez asked for an explanation of the drop in the Photo Speed and Red Light fines (page 431).

Mr. O'Claire explained that there has been a noticeable drop in the photo radar van citation generation. He said the number of cars going through the zones is the same, but people are obeying the law. He said there has been about a 60% reduction in photo radar citations last year to date to this year to date, as shown on page 434.

Mr. O'Claire said there is a new program in the Court, the BSOBR Program; it stands for Beaverton Sobriety Opportunity for Beginning Recovery. It is an intense two to three year program which includes a case manager who monitors the defendant's recovery progress. This is a two year program through the state, funded by a federal grant.

Ms. Stout asked if the people in the program are charged.

Mr. O'Claire said that in addition to their fine commitment to the court, there is also a cost for the program that is fairly costly due to having to be monitored, and are required to wear a bracelet that tracks if alcohol is consumed and, if so, it reports back to the case manager. He explained the other specifics of the BSOBR Program.

Councilor King asked about the timing for the next round of state funding for the BSOBR Program.

Mr. O'Claire said by about January 2013 the City should get indication from the Oregon State Police, the managers of the program, whether or not the funding will be included in the state's budget.

Councilor San Soucie thanked the court for the amount of detail that was included in their budget.

### **Information Systems Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Information Systems Fund. He said the FTE increased by .50 FTE for a new Support Specialist 2 position that will be housed with the web development team and would support the City's initiatives for social media information on the website.

Councilor Arnold asked if this is the same position that was requested last fiscal year in the Public Information program under Bill LaMarche.

Mr. O'Claire said this is a technical position that would report to the Web Manager.

Mr. O'Claire said Mr. Mazziotti has been heavily involved with converting to HP Trim, a pilot program where we will not be storing data on the City Hall site, but instead through HP Trim with the data center being house in Baker City. He explained that with this system, documents created here will be saved on a storage device in Baker City with a document retention routine automatically applied to it. When the document's retention period comes up, the document will be automatically deleted.

Councilor Arnold explained that when fulfilling a public records request, HP Trim creates a huge advantage to the City and is worth the cost to purchase it.

Mr. Waffle commented that HP Trim is also very important for business continuity.

Mr. O'Claire said that the proposed FY 2012-13 budget includes salary adjustments for the positions that market studies determined necessary. The Information Systems Fund includes three position reallocations, and in the Geographic Information Systems Fund there is one reallocation. The salary adjustments will be presented to Council in June 2012 for their approval.

#### **Geographic Information Systems Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Geographic Information Systems (GIS) Fund. He said a new GIS manager was hired from Henrico County Virginia and he has brought renewed energy to the GIS group.

Mr. O'Claire said the aerial flight that costs about \$60,000 will not take place this year. He said reserve funds are being built up to do this flight every third year. He said it is taken at 3-inch specifications.

Mr. O'Claire said the GIS group is deciding whether or not to replace the City's asset management system.

#### **Capital Development Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Capital Development Fund. He said there are two projects in the Capital Development Fund: The Broadway Streetscape and the South Plaza Improvement Plan.

#### **General Bonded Debt Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the General Bonded Debt Fund. He said this is bonded debt for the City's library. He said after FY 2012-13, only \$8 million will be owed on the Library Bond and it is scheduled to be paid off in FY 2018-19.

#### **Assessments Debt Service Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Assessments Debt Service Fund. He said this is for assessments for local improvement districts.

#### **Assessments Projects Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Assessments Projects Fund. He said there are no proposed projects. He said there is one very old project, the Meadow Park LID, which has

had a \$33,000 cash balance since about 1984. The proposed FY 2012-13 budget will transfer these resources to the General Fund.

**Water Debt Service Fund**

Mr. O'Claire reviewed the proposed FY 2012-13 budget for the Water Debt Service Fund. He said this fund contains the debt service on the water utility. He said there are three bond issues outstanding. He said they will see if there is a possibility to refund the 2006 Water Revenue Bond to take advantage of lower interest rates.

There being no further business to discuss the meeting was recessed at 9:50 p.m., until Tuesday, May 29, 2012, at 6:00 p.m.

Recorded by  
Joanne Harrington  
Recording Secretary

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APPROVED BY Karmen Bickel, Secretary